CHAPTER IV
DEVELOPMENT OF CONSUMER ORGANISATIONS IN INDIA
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In this chapter, an attempt has been made to present an overview of the development of Consumer Organisations in India and their achievements.

4.1 Development

The history of Consumer Organisations in the country starts from the Mahila Upbhokta Sangathan which was functioning in Lucknow in 1931. Now it is the largest Consumer Organisation with 3741 branches in rural areas and 481 branches in urban areas.

The emergence of consumer organisations was noted during second world war but most of them were anemic and lacked vitality. No sooner the war ended these organisations had an abortive end. (S. Rangandhi, 1979).

The formal development of consumer organisation be traced back to 1949 when the a consumer centre was set up in Madras by Delvai. At that time Madras Provincial Consumer Association was seen as working for the consumer interest. (Pradeep S.Mehta et al. 1989).

In 1958, a convention was organised by I.S.I. (Indian Stand ard Institute). In this convention, the establishment of consumer organisations was proposed. A number of consumer organisations were formed but a number of them were found defunct by the end of 1959 (G.L.Malhotra,1963) In Bombay, an Association of Women Against Rising Expenses (AWARE) was started in mid sixties by some imaginative and enterprising women to keep the prices down. Another consumer organisation popularly known as PRRM (Price Rise Resistance Movement) was started in Delhi in 1962. They started open air shops in different localities for the sale of vegetables, egg etc; effer uscence of its activities bubbled out after a short while (S.Rangandhi, 1979).

The National Consumer Service was set up in 1963 as a wing of Bharat Sevak Samaj - a social organisation in Delhi (A. Sarkar 1989). The objectives of National Consumer Service were (I) organisation of consumers' council at the national, state and district levels (II) Promotion of consumers cooperative movement (III) Research
into consumer problems (IV) Market intelligence, price collection, case studies in consumption pattern etc. Training Social and other workers in consumer research, consumer contracts and consumer difficulties (V) ensuring quality control, investigation of methods of prevention of adulteration (VI) prevention of malpractices in trade-weights and measures. (G.L. Malhotra, 1964)

A significant development took place in Delhi in 1964. People organised themselves in a venture with refusal to buy and shaped itself into 'Buy and Distribute'. Consumers in some localities stood up in protection against the rising prices of milk which had been arbitrarily increased along a steep curve from 75p to 1.25p in six months. Here the consumers refused to buy and organised bulk buying and distribution of their own. The consumers unionism had an immediate effect on the milk sellers association and efforts were made to find out the acceptance rate. To counter the menace of rising prices in vegetables, the housewives decided to boycott some vegetables on certain days of the week. No cabbage and bhindi on Thursday and so on. This boycott put the vendor off their heels. The consumers also pooled their resources and set up selling centres. This direct action brought down the prices (N.C.S. 1964).

In case of sugar which was in plenty, the middlemen and particularly retailers created an artificial scarcity. Loopholes in the law were exploited by unscrupulous dealers and non-vigilance by the executive staff had created the apparently unsurmountable difficulties for the consumers. Consumers regulated the distribution of sugar by way of self imposed rationing. The cycle tyre was another commodity in which brand preference was exploited and the scarcity conditions were created. The consumers succeeded in seeking the cooperation of the manufacturers and the latter recognising the importance of consumer in preference to that of traders, compelled the traders to sell at their recommended prices. At times, most of the troubles were due to lack of vigilance, ignorance and absence of self help (N.C.S. 1964).

The Consumer Guidance Society of India was formed in 1966 by housewives and a few social workers to protect the interests of consumers with the motto 'Quality at a fair price'. At present, it has 2500 members and has five branches at Hyderabad, Dandeli, Pune and Kottayam. The main slogan of this organisation is Grahak Seva, Suraksha and Santosh. It performs wide range of activities, through many working committees, exhibition committee, fund raising committee, publicity committee and publication committee etc. It receives complaints from consumers and tries to solve
the problems. It is mainly concerned with consumer guidance, protection, education and representation. It publishes a monthly magazine named *Keemat*. It made various efforts on different fronts.

The Consumer Council of India sponsored by Planning Commission was set up in October 1967, with its headquarter at New Delhi. It started publishing bulletin *Indian Consumer* for communicating useful information to safeguard consumer interest. (J.D.Singh,1973) Another consumer group National Consumer Council was formally inaugurated in 1968. But it could not remain intact for a long.

The consumer movement virtually started in seventies when nearly 50 consumer groups were operating throughout the country. However most of these groups remained restricted to cities where awareness was already higher (Pradeep S.Mehta 1988).

In Sept 1971, the All India Consumer Organisations formed at the National level. Its activities were multifarious (N.M.Malani, 1972). It spreaded its centralised services to various agencies treated in state capitals, prominent cities and even rural areas of our country. Their services included product testing facilities issuing publication, inviting speakers, promoting exhibitions and direct research. In the same period the southern consumer union, consumer protection committee of the Rotary clubs had also been formed (J.D.Singh,1973). Save the Consumers Movement of India was started in Sept 1972 in Madras. It was called *Consumer Flying Squad* (M.Hampanna, 1989).

The consumer movement gathered momentum with the formation of Consumer Action Forum in Calcutta in 1973. It was established at the initiative of women's coordinating council Calcutta with Shrimati Renuka Roy, a social worker and former minister of West Bengal as its President. It originated in a meeting at Lake Town in the suburb of Calcutta to hold protest against adulteration of mustard oils causing paralysis and death in nearby Dum Dum area. The forum has a number of objectives including resistance to price rise, prevention of adulteration of food and medicine, checking malpractices like hoarding, black marketing and short weight selling and agitation for better public utility service. It has established complaints counters at important market places of Calcutta and suburbs and pays visits to ration shops, milk booth etc. It holds seminars and group discussion and also published scientific articles.
on the various consumable items (A.K.Sen, 1987). It performs various activities viz. consumer education through seminars in school and colleges, survey and research work on public distribution system, product testing, lobbying at parliament and complaint handling.

A few organisations recognised themselves among the public in seventies e.g. Mahila Dasksheta Samiti, citizen Action Committee, Upbhokta Nivadshak Samaj, Mahgai Hatio Samiti and Dilli Rajya Mahila Parishad. These organisations and a good number of rural cooperatives catering to the various classes of consumers and meeting varying requirements made dominant impact. The rural and urban cooperative societies did not have any education function to perform and they remained restricted to a limited scope (K.C.Agarwal et al.1978).

The role of Akhil Bhartiya Grahak Panchayat cannot be ignored. ABGP was inaugurated on 6th Sept 1974 in Pune (Maharashtra). It is an autonomous organisation and free from political interference. Moreover it is totally democratic in nature. The ultimate goal of this organisation is exploitative free society. ABGP works in four different ways (1) by organising the consumers (2) by enlightening the consumers (3) through constructive work (4) through agitational programmes. This total movement is based on five principles i.e. moral values, dignity of labour, trustee ship, faith in Swadeshi and commitment to the nation. The central idea of ABGP is that it works through Grahak Sangh (which is consisted of 15 to 25 families.) The various activities and functions that are performed through such Grahak Sanghs e.g. procurement and distribution. Besides they undertake multifarious activities such as cultural activities social services in case of natural calamities. On the similar principle Mumbai Grahak Pan chayat is playing a vital role in Bombay and its suburb areas (Raju Bist, 1991).

According to G.Fanquet, the main purpose of this movement becomes a means for the consumers to correct private and public enterprise, not to replace it. It is impossible for a consumer movement to take over the whole economic life in a free society. So the consumer movement is satisfied with remaining a sector in mixed society and its ambition is to become a countervailing power (B.M.Joshi, 1985)

During seventies, a need was felt to form a co-ordinating body of the consumer organisations. The issue was given due weightage under 20-point programme of the government. In 1978 the consumer service society (CSS) a federating unit of the
Indian Federation of Consumer Organisations was set up. (I.B.S., 1987). But the consumer movement was still in dormancy (L.P. Singh, 1978).

CERC was started in 1978 in a casual manner when a senior Executive in Ahmedabad walked into the office of the transport minister and demanded why fare on a public transport was raised. CERC fought battles against several institutions. The India airlines, Gujarat State Transport Corporation and Gujarat State Electricity Board agree to regulate and systematic tariff structure. It fought with LIC and got the premium rates reduced and mortality table revised. The CERC has been softly persuading the advertising agencies a check false and misleading statements. To enlighten the consumers. CERC has been publishing two periodicals the Consumer Confrontation (English) and the Grahak Suraksha (Gujarati). It has organised workshops, seminars, lectures and classroom training sessions on consumer protection. It takes wide range of consumer research to the activities like Consumer Education, Legal Research, dissemination of information and other activities connected therewith, documentation, library resources, computer and computer services, training programme and publication. Since 1987 a new organisation called Consumer Education and Research Society (CERS) has been working. CERC shall embark upon all action programme handling individual complaints filing cases before courts, commission and fora, activities of public education of members of Parliament, advocacy before the administrators and publication of magazine. CERC'S logo indicates action and the vibrations in the society.

Considering the weak consumer movement in India some voluntary consumer organisation felt the need for coming together. Thus emerged in the-apex institution at The Indian Federation of Consumer Organisations (IFCO) in 1979. It is fundamentally concerned with the protection of consumer interests. It collects data on price rise, methods of adulterations of consumer goods and lapses in public service like the telephones, electricity and transport etc. It compiles concrete cases of hardships and inconvenience for the notice of authorities for remedial steps. I.F.C.O. proposed to enroll college and university students as volunteers and field workers with a view to creating better awareness of the consumer problems among the general public. It is also publishing a monthly bulletin to give publicity for its activities. The objective is to give the consumer movement mass base so that an effective public opinion could be created to get the consumer grievances and hardships redressed (Kailash Rekhi, 1980).
In 1980, Grahak Jagruti of Baroda continuously campaigned against the short weightment by vegetables and fruit vendors but due to lack of police protection, the volunteers have to take corporal action (CUTS, 1988).

Gujarat State Consumers Protection Centre (GSCPC), the only state level consumer voluntary organisation is an independent, non-political and non-profit organisation working since 1980. It supports consumer activities in all the districts of Gujarat and have branches in Ahmedabad, Baroda, Kheda, Panchimahals Kapar varaj taluka. The centre works on Gandhian philosophy of persuasion and not of confrontation with business for protecting consumers interest as inscribed logo ‘Consumers Service through Gandhian Ways’. This organisation works through various departments. Consumer complaint cells, consumer survey cell, consumer vigilance cell, consumer products evaluation cell, mass education programme cell and anti-corruption etc.

In 1981, Common Cause was formed in Delhi. It persuaded the public to adopt the problem arising out of government. regulations for study and to prepare comprehensive notes to help the organisation to take up matters with the concerned authorities. Within, the short span some more consumer organisations came into existence.

During the year 1981-82, the government extended financial assistance to a tune of Rs. 0.62 lakhs to the voluntary consumer organisations for undertaking various consumer protection and consumer education programmes. Assistance was also extended for research and investigation in the consumer problems and setting up of food laboratories. (D. Himachalam, 1990)

In 1983 some teachers and students of Delhi university formed VOICE (Voluntary Organisation in the Interest of Consumer Education). The first battle of VOICE was against the director's five per cent discretionary quota of allotment in public sector companies. It resulted in the setting up of the first super bazar as a price-pegging institution (I.B.S, 1987). The VOICE has three pronged strategy (1) Research into a problem (2) Educating the public about it (3) Consumer interest litigation. Its aim was to take cases and remove legal lacunae in various laws (I.B.S., 1987)

In August 1983, the Government set up the 20-member consumer protection council. It has representatives from state Government, other union department and
voluntary consumer organisations and members of Parliament. The council is to
provide direction to and advise the Government on matters of consumer interest like
measures to be taken up the law enforcing department, amendment of MRTP Act,
ensuring consumers right to safety, information, fair price and choice etc.

Till 1984, Rajasthan did not have a single consumer group worth its name CUTS,
which founded the consumer movement in Rajasthan in 1984. Lab now grown into a
mother institution with nearly 40 affiliates independent consumer and public interest
groups in small towns and villages of Rajasthan including active chapter in New Delhi,
Calcutta, Lucknow, Bhopal, Bombay. It also helped in setting up of independent
consumer groups in suburbs areas of West Bengal, Madhya Pradesh, Uttar Pradesh
and Maharas thra (CUTS, 1988) It publishes 'Patrika' a magazine which high lights
various development in the field of consumerism. It has pursued some programmes
i.e.'Find Garbage and Win a Prize' was the first step of the 'CUTS' Calcutta chapter
towards creating awareness about the consumer rights to a healthy environment.
'CUTS' Calcutta chapter has also taken up in its civic awareness programme, road
condition and traffic regulation through 'find potholes and win a prize contest' twice in

Warangal Consumer Council was established in 1984 with the objective of
consumer welfare and rendering free of cost service to consumers. It had taken various
problems such as installation of automatic telephone exchange, stopping the sales of
cotton textiles on lottery basis through MRTP commission installing Effluent
Treatment Plant at Ajan Fahi Mills to tackle environment pollution problem.
Representing the problems of consumers to 'Food Advisory Committee' at District level
etc.

Upbhokta Seva Samiti (USIS), Tonk was established on the occasion of
International Youth Year in 1985 with objective to provide relief to consumers from
unfair trade practices and rising prices. It is a non-political and voluntary organisation.
The main motto of this organisation is Don't be blind, Deaf and Dumb while purchasing.
It is affiliated to various organisations such as CUTS (Jaipur), All India Consumer
Movement (Lucknow) and National Consumer Union for Legal Assistance
(Jameshadpur). It is running with the small budget of Rs.1000/-. 
It has taken various problems relating to Public Distribution System, cooking gas, electricity department, postal services, medical services and transport services. It has also created consumer awareness through its magazine named Upbhokta Margdarshika.

Pidugurala Consumer Society (PCS) is a voluntary social organisation registered in Sept. 1985 has been rendering human service to the cause of consumer awareness in the state of Andhra Pradesh, particularly in Guntur District. It got started 16 new consumer organisations in A.P. (S.G.Syda, 1990).

The Association for Consumer Action on Safety and Health (ACASH) was set up in 1985 to study research, assist and deal with health related consumer issues and to protect the rights of the consumer and general public. ACASH serves as an information centre to educate guide and disseminate information in the field of Health and Safety. It was founded by doctors, lawyers and other concerned individual.

During the year 1983-84 Rs.3.35 lakhs were disbursed to strengthen the infrastructure and implementation of consumer education and research projects undertaken by the various consumer organisation Rs.5.00 lakhs were proposed to be spent on the same during 1984-85. As a result, a number of voluntary organisations engaged in providing protection to the consumer in the country have come up. The number of these consumer protection organisations increased from 170 in 1984-85 to 181 in 1985-86 and to 235 in 1986-87. However, the activities are confined to urban areas (D. Himachalam; 1990, 10).

Today, there exists at least 300 consumer organisations small as well as large one. The main tragedy is that most of the organisations have been set up in metropolitan cities, where only 20 percent of India population lives. Gujarat accounts for 45 percent of the consumer groups in the country. Karnataka, Andhra Pradesh and Tamil Nadu have 26, 23 and 19 groups respectively. A large state of Uttar Pradesh has only one consumer agency, while on the other hand Anademan and Nichobar Islands have three groups all created in Port Blair. Delhi has the highest number of groups (14) followed by Ahmadabad, Hyderabad and Bombay implying the need for greater consciousness of business in these cities. Rural India which accounts for nearly 80% of the population does not have any strong consumer protection group except in Kerala. (P.K.Muttagi, 1987)
In Kerala, the consumer movement has grown into a people movement. There are Panchayat level consumer protection associations. Coordinating the efforts of the Panchayat associations, there are apex bodies at the district level in all the 14 districts of Kerala. At the state level there exists a federation of district associations known as State Consumers Coordinating Committee (CONCORD), started in 1986. It works through the people’s court which is the unique feature of this organisation. The coordinating committee has divided its functions into four cells viz the consumers complaints cell, the consumer education cell, the consumers services cell and consumers vigilance cell, later two are unique to this organisation. This organisation publishes two magazines viz Niyamalokam and Consumer Protection. (John Joseph; 1990, 42)

Consumer Research Exchange Centres (CRECs) which are proposed to be established as a repository house for various consumer research related issues, could be approached by the companies for both acquiring and contributing vital information on rural consumerism (M.L. Agarwal, 1989). The centres may become very handy in collecting and analysing local, regional and even national level problems of rural consumers.

A latest addition to the array of consumer organisations is AICAN (All India Consumer Action Network). This organisation has been formed under the presidency of Justice P.N.Bhagwati, the pioneer of Public Interest Litigation in India.

It is noted from the above historical perspective of consumer organisations, that the movement was generally concentrated in urban areas moreover most of the consumer organisations are doing well defined activities in their respective regions. Despite this consumer fora and similar associations have of late come up over the years, their influence and clout is marginal and thus restricted to urban middle class problems. Those most vulnerable to exploitation have largely remained unrepresented and unprotected (I.B.S., 1986). The major bottle-neck in the growth of the consumer movement is the mental attitude and apathy on the part of the consumer himself. He is not willing to fight for his rights, but expects various consumer guidance societies to do the dirty work for him. Moreover, the consumer guidance societies-are only there to educate and guide the consumers. They are not there to fight their battles for them.
except when they become aware of public interest and grievances. The consumer's individual battle must be fought by consumer himself (M.G.Grant, 1989).

The movement of consumer protection has largely remained under the protection of government and its largely ineffective socio-economic legislation (D.Himachalam, 1990). Besides this the government is producing maximum percentage of products and services and most of the consumer problems shoot from the government sectors. The consumer movement in India is weak because the so called leaders and social workers are busy in the field of politics and they are hardly interested in tackling the consumer problems. Consequently the class of consumers remain leaderless and amorphous (N.C.Joshi, 1980). Despite the above mentioned facts the consumer movement is going to gain the ground. During previous three decades, Indian Consumer Movement has acquired dominant status, various consumer organisations such as Common Cause, CERC, VOICE, CUTS, ABGP and CGSI have survived in pressurising the government to enact a number of legislations inducing a most comprehensive one such as Consumer Protection Act 1986. Consumer awareness about their rights has been increased. Whole nation now celebrates March 15 as the National Consumer Day.

Now the efforts are being made so that the consumer movement emerges as the people's movement. To fulfill this objective, the National Consumer Action Programme needs to be activated.

Achievements

There a number of achievements which can be credited to Consumer Organisations. Some of these observed in cases of organisations studied are given below.

Common Cause achievements includes Supreme Court's verdict regarding extension of pensionary liberalisation benefits to all pre-1979 pensioners, family pensions benefits to all pensioners, and straightening out of the excruciating problems of property tax through Supreme court judgment; smoothing out the areas of income tax, wealth tax, gift tax through representation of the finance ministry; Delhi High Court verdict relating to excessive electricity charges based on defective and stopped meters.
Warangal Consumer Council could achieve installation of automatic telephone exchange; stopping of the sale of cotton textiles on lottery bases through MRTP commission; installation of effluent treatment plant at Ajan Jahi Mills to tackle environment pollution problems; closure of cheap gift centre which has been cheating public in the town.

Consumer Protection Council (Gujarat) took up a case to improve the plight of tobacco processing women workers with Gujarat High Court with regard to improving the working conditions, in creased daily wages from Rs. 5 to Rs. 16, fixed working hours, no night working for women and stopped sexual harassment.

Achievements of CERC includes compensation from LIC to various aggrieved policy holders, it fought battles against the Indian airlines and Gujarat State Transport; Gujarat State Electricity Board agreed to regulate and systematise tariff structure; fought battle with LIC and got the premium rates reduced and mortality Table revised; and won the case against LIC policy taken on dog bite.

Consumer Guidance Society of Bombay, in 1973 did not accept agreed with the definition of substandard food stuffs suggested by the state Advisory Board on Prevention of Food Adulteration (as the standards prescribed are low and recognition of food as substandard which results in lowering the standards further and lead to large scale adulteration).

The various problems solved by Consumer Forum, Chandigarh, such as the problem of man made scarcity was dealt with by pressurising the administration to install kerosene oil pumps in sector 15 and sector 22; about 3000 bogus ration cards were got canceled; Ration card holders previously tagged with depots without any regard to their preference or convenience, were attached to the nearest depot.

The Central Government has amended the Prevention of food adulteration rules under the pressure of consumer representatives on the central committee on food standards (CCFS) and VOICE.

With the efforts of various Consumer Organisations, the Government has also amended the Weight and Measures Act. Now the prices shown on various packed commodities are inclusive of all taxes.